



## MEMORANDUM

**TO:** State Board of Education

**FROM:** Gary Wallyn, Director  
Division of Accreditation, Assistance, and Awards

**DATE:** August 23, 2007

**SUBJECT:** Freeway School Review

The Freeway School statute provides for an annual performance review. The review begins after the second year of the contract is completed. All Freeway Schools, after the second full year of the contract, must meet one of the following performance levels for all three educational benefits.

ISTEP+ Performance	Attendance Rate	Graduation Rate
90% or above	90% or above	90% or above
85% or above and below 90% and show at least 1% improvement.	85% or above and below 90% and show at least 1% improvement.	85% or above and below 90% and show at least 1% improvement.
Below 85% and show at least 2% improvement.	Below 85% and show at least 2% improvement.	Below 85% and show at least 2% improvement.

The following statements outline the review process for a **Freeway School that has completed years 2-5** of the contract and that misses **any** of the three educational benefit requirements for the first time.

1. The school is contacted by the Division of Accreditation, Assistance, and Awards.
2. Data are presented to the Indiana State Board of Education with a response from the school as to how benefits will be achieved.
3. The State Board, based on the data and the school's response, may instruct the school to modify the plan.
4. The school year following the review by the board is not included as one of the five years of the contract.
5. The school has the year the school is identified and the following year to improve before the next review.

The following statements outline the review process for a **Freeway School that has completed years 3-5** of the contract and that misses any of the three educational benefit requirements and has previously been reviewed by the state board. (IC 20-26-15-11)

1. The school is contacted by the Division of Accreditation, Assistance, and Awards.

2. The school ceases to be a Freeway School if 2 of 3 educational benefits are not met.
3. If only one benefit is not met, the school continues to work toward improving all educational benefits until year five.
4. A freeway school in the fifth year of the contract that:
  - (a) has previously been reviewed by the state board during the initial five year contract; and
  - (b) does not meet all of the educational benefits;ceases to be a freeway school.

The following statements outline the review process for a **Freeway School that receives a five year renewal** after the initial freeway contract. (IC 20-26-15-12)

1. The school must meet **all** educational benefit requirements **annually**.
2. If for any year following the renewal of the initial freeway contract a school fails to meet the educational benefit requirements, the Division of Accreditation, Assistance and Awards issues a warning letter to the school and informs the state board of the warning.
3. The warning letter would serve notice to the school that failure to achieve the educational benefit requirements in any year following the warning year voids the freeway contract.
4. Failure to achieve the educational benefits for two consecutive or non-consecutive years following the renewal of the initial contract, voids the freeway contract and the school ceases to be eligible for freeway status.

## **IC 20-26-15**

### **Chapter 15. Freeway School Corporation and Freeway School Program**

#### **IC 20-26-15-1**

##### **"Contract"**

Sec. 1. As used in this chapter, "contract" refers to a contract entered into under this chapter for the establishment of:

- (1) a freeway school corporation; or
- (2) a freeway school.

#### **IC 20-26-15-2**

##### **"Freeway school"**

Sec. 2. As used in this chapter, "freeway school" refers to:

- (1) a school for which a contract has been entered into under this chapter; or
- (2) a nonpublic school that enters into a contract under section 13 of this chapter.

#### **IC 20-26-15-3**

##### **"Freeway school corporation"**

Sec. 3. As used in this chapter, "freeway school corporation" refers to a school corporation that enters into a contract under this chapter.

#### **IC 20-26-15-4**

##### **Contract for designation as freeway school; approval**

Sec. 4. (a) The state board and the governing body of a school corporation must enter into a contract that complies with this chapter to designate a school corporation as a freeway school corporation or a school within a school corporation as a freeway school if a school corporation:

- (1) petitions the state board for designation as a freeway school corporation or to have a school within the school corporation designated as a freeway school; and
- (2) agrees to comply with this chapter.

(b) A school corporation becomes a freeway school corporation and a school becomes a freeway school when the contract is signed by:

- (1) the state superintendent, acting for the state board after a majority of the members of the state board have voted in a public session to enter into the contract; and
- (2) the president of the governing body of the school corporation, acting for the governing body of the school corporation after a majority of the members of the governing body have voted in a public session to enter into the contract.

#### **IC 20-26-15-5**

##### **Elective suspension of statutes and rules in freeway school contract**

Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

- (1) The following statutes and rules concerning curriculum and instructional time:
  - IC 20-30-2-7
  - IC 20-30-5-8
  - IC 20-30-5-9
  - IC 20-30-5-11

- 511 IAC 6-7-6
- 511 IAC 6.1-3-4
- 511 IAC 6.1-5-0.5
- 511 IAC 6.1-5-1
- 511 IAC 6.1-5-2.5
- 511 IAC 6.1-5-3.5
- 511 IAC 6.1-5-4.
- (2) The following rule concerning pupil/teacher ratios:  
511 IAC 6.1-4-1.
- (3) The following statutes and rules concerning textbooks:  
IC 20-20-5-1 through IC 20-20-5-4  
IC 20-20-5-23  
IC 20-26-12-24  
IC 20-26-12-26  
IC 20-26-12-28  
IC 20-26-12-1  
IC 20-26-12-2  
511 IAC 6.1-5-5.
- (4) 511 IAC 6-7, concerning graduation requirements.
- (5) IC 20-31-4, concerning the performance based accreditation system.
- (6) IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

## **IC 20-26-15-6**

### **Permitted actions by freeway school or freeway school corporation during contract period**

Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

- (1) Disregard the observance of any statute or rule that is listed in the contract.
- (2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.
- (3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting system used by a freeway school corporation or a freeway school.
- (4) Establish a professional development and technology fund to be used for:
  - (A) professional development; or
  - (B) technology, including video distance learning. However, any money deposited in the professional development and technology fund for technology purposes must be transferred to the school technology fund.
- (5) Subject to subdivision (4), transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).
- (6) Transfer funds obtained from property taxation and from state distributions among the general fund and the school transportation fund, subject to the following:
  - (A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the

sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the:

- (i) capital projects fund; or
- (ii) debt service fund.

(7) Establish a locally adopted assessment program to replace the assessment of students under the ISTEP program established under IC 20-32-5-15, subject to the following:

- (A) A locally adopted assessment program must be established by the governing body and approved by the department.
- (B) A locally adopted assessment program may use a locally developed test or a nationally developed test.
- (C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements as results under the ISTEP program.
- (D) Each student who completes a locally adopted assessment program and the student's parent have the same rights to inspection and rescoring as set forth in IC 20-32-5-9.

## **IC 20-26-15-7**

### **Educational benefits required during contract period**

Sec. 7. The minimum educational benefits that a freeway school corporation or a freeway school must produce under this chapter are the following:

(1) An average attendance rate that increases:

- (A) not less than two percent (2%) each school year until the average attendance rate is eighty-five percent (85%); and
- (B) one percent (1%) each school year until the average attendance rate is ninety percent (90%).

(2) A successful completion rate of the assessment program by meeting essential standards under the ISTEP program (IC 20-32-5) or a locally adopted assessment program established under section 6(7) of this chapter that increases:

- (A) not less than two percent (2%) each school year until the successful completion rate is not less than eighty-five percent (85%); and
- (B) one percent (1%) each school year until the successful completion rate is not less than ninety percent (90%); of the students in the designated grade levels under the ISTEP assessment program (IC 20-32-5) or the locally adopted assessment program that are grades contained in the freeway school corporation or freeway school.

3) Beginning with the class of students who expect to graduate four (4) years after a freeway school corporation or a freeway school that is a high school obtains freeway status, a graduation rate as determined under 511 IAC 6.1-1-2(k) that increases:

- (A) not less than two percent (2%) each school year until the graduation rate is not less than eighty-five percent (85%); and
- (B) one percent (1%) each school year until the graduation rate is ninety percent (90%).

After a freeway school corporation or a freeway school has achieved the minimum rates required under subdivisions (1) through (3), the freeway school corporation or freeway school must either maintain the minimum required rates or show continued improvement of those rates.

## **IC 20-26-15-8**

### **Mandatory contract provisions and plans; additional educational benefits allowed under contract**

Sec. 8. (a) The contract must contain the following provisions:

- (1) A list of the statutes and rules that are suspended from operation in a freeway school corporation or freeway school, as listed in section 5 of this chapter.
- (2) A description of the privileges of a freeway school corporation or freeway school, as listed in section 6 of this chapter.
- (3) A description of the educational benefits listed in section 7 of this chapter that a freeway school corporation or freeway school agrees to:
  - (A) achieve by the end of five (5) complete school years after the contract is signed; and
  - (B) maintain at the end of:
    - (i) the sixth; and
    - (ii) any subsequent; complete school year after the contract is signed.
- (4) A plan and a schedule for the freeway school corporation or freeway school to achieve the educational benefits listed in section 7 of this chapter by the end of five (5) complete school years after the contract is signed. The schedule must show some percentage of improvement by the end of the second, third, and fourth complete school years after the contract is signed.
- (5) A school by school strategy, including curriculum, in which character education is demonstrated to be a priority. The strategy required under this subdivision must include the following subjects as integral parts of each school's character education:
  - (A) Hygiene.
  - (B) Alcohol and drugs.
  - (C) Diseases transmitted sexually or through drug use, including AIDS.
  - (D) Honesty.
  - (E) Respect.
  - (F) Abstinence and restraint.
- (6) A plan under which the freeway school corporation or freeway school will offer courses that will allow a student to become eligible to receive an academic honors diploma.
- (7) A plan under which the freeway school corporation or freeway school will maintain a safe and disciplined learning environment for students and teachers.

(b) In the contract:

- (1) the quantitative measures of benefits may be higher, but not lower, than the minimum educational benefits listed in section 7 of this chapter; and
- (2) educational benefits may be included in addition to the minimum educational benefits listed in section 7 of this chapter.

## **IC 20-26-15-9**

### **Contract amendment**

Sec. 9. The governing body of a freeway school corporation and the state board acting jointly may amend a contract entered into under this chapter:

- (1) to comply with any law enacted subsequent to the formation of the contract;
- (2) to alter the educational benefits to a level that is not below the minimum educational benefits listed in section 7 of this chapter; or
- (3) for a purpose jointly agreed to by the parties.

## **IC 20-26-15-10**

### **Annual evaluation of contract compliance**

Sec. 10. On July 1 of each year, the state board shall determine whether a freeway school corporation or freeway school that has completed:

- (1) a second, third, or fourth complete school year under a contract entered under this chapter has achieved the scheduled improvement in educational benefits that the freeway school corporation or freeway school has agreed to achieve;
- (2) a fifth complete school year under a contract entered under this chapter has achieved the educational benefits that the freeway school corporation or freeway school has agreed to achieve; or
- (3) more than five (5) full school years under a contract entered under this chapter has maintained the educational benefits that the freeway school corporation or freeway school has agreed to maintain.

## **IC 20-26-15-11**

### **Failure to achieve minimum educational benefits standards during contract years one through five**

Sec. 11. (a) A school corporation that enters into a contract under this chapter to:

- (1) be a freeway school corporation; or
  - (2) operate a freeway school;
- must achieve the educational benefits that the school corporation agrees in the contract to achieve.

(b) If a school corporation that enters into a contract under this chapter to be a freeway school corporation or to operate a freeway school fails to achieve any of the educational benefits agreed upon in the contract at the end of a school year:

- (1) the state board shall review the school corporation's plan and schedule for achieving the educational benefits, and, if necessary, modify the plan; and
- (2) the year in which the educational benefits are not achieved is not included in the five (5) year contract period.

(c) A contract is void and a school corporation ceases immediately to be a freeway school corporation or to be eligible to operate a freeway school if:

- (1) the school corporation or school has previously undergone a plan and schedule review under subsection (b); and
- (2) the state board determines that the school corporation or school failed to achieve the following that the school corporation agreed to achieve in the contract:
  - (A) at the end of the second, third, or fourth complete school year after a contract is signed under this chapter, two (2) of the three (3) scheduled improvements in educational benefits that are listed in section 7 of this chapter; or
  - (B) at the end of the fifth complete school year after a contract is signed under this chapter, the educational benefits stated in the contract.

## **IC 20-26-15-12**

### **Failure to achieve minimum educational benefits standards during and after contract year six**

Sec. 12. (a) A school corporation that enters into a contract under this chapter to be a freeway school corporation or to operate a freeway school must maintain the educational benefits that the school corporation agrees to achieve in the contract.

(b) If the state board determines that a freeway school corporation or freeway school has failed to maintain the educational benefits described in subsection (a) for two (2) consecutive or

nonconsecutive school years beginning with the end of the sixth school year after a contract is signed under this chapter:

- (1) the contract is void; and
- (2) the school corporation ceases to be:
  - (A) a freeway school corporation; or
  - (B) eligible to operate a freeway school;

on July 1 following the second school year in which the freeway school corporation or freeway school failed to maintain the required educational benefits.

#### **IC 20-26-15-13**

##### **Nonpublic school designated as freeway school; contract approval; accreditation**

Sec. 13. (a) A nonpublic school may enter into a contract with the state board to become a freeway school.

(b) The state board and the governing body of a nonpublic school must enter into a contract that complies with this chapter to designate the nonpublic school as a freeway school if the nonpublic school:

- (1) petitions the state board for designation as a freeway school; and
- (2) agrees to comply with this chapter.

(c) A nonpublic school becomes a freeway school when the contract is signed by:

- (1) the state superintendent, acting for the state board after a majority of the members of the board have voted in a public session to enter into the contract; and
- (2) the president of the governing body of the nonpublic school, acting for the governing body of the nonpublic school after a majority of the members of the governing body have voted to enter into the contract.

(d) The state board shall accredit a nonpublic school that:

- (1) becomes a freeway school under this chapter; and
- (2) complies with the terms of the contract.

#### **IC 20-26-15-14**

##### **Legality of actions taken following cessation of freeway school or freeway school corporation**

Sec. 14. (a) This section applies to:

- (1) a school corporation that has ceased to be a freeway school corporation; and
- (2) a school that has ceased to be a freeway school.

(b) If an action taken by a school corporation or school described in subsection (a) while a contract was in effect was legal at the time the action was taken because of the waiver of a statute or rule in the contract, the action remains legal after the contract becomes void.

(c) An action taken by a school corporation or school described in subsection (a) after the date on which a contract becomes void must be in compliance with existing statutes and rules.